

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814



April 27, 1983

ALL-COUNTY LETTER NO. 83-36

TO: ALL-COUNTY WELFARE DIRECTORS

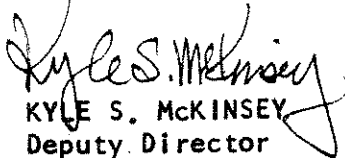
SUBJECT: FOOD STAMP REGULATIONS ON STANDARD UTILITY ALLOWANCE (SUA) PRORATION

REFERENCE: SECTIONS 63-300, 63-502, 63-503, 63-504

This letter provides information regarding the regulation change which requires the proration of the Standard Utility Allowance. As a result of Food and Nutrition Service suspending a portion of administrative funds and the potential of a disallowance of funds, it has become necessary that these regulations be implemented immediately upon filing with the Secretary of State. The regulations were sent to the Office of Administrative Law (OAL) on April 26, 1983 for their 10-day review. If, at the end of that ten day period, OAL agrees that they are emergency regulations they will be filed with the Secretary of State immediately and will become effective on that date. It is anticipated that the regulations will be filed and effective May 5, 1983, at which time the eligibility and benefit levels of all new applications shall be determined according to these regulations. Currently, certified households are required to be converted to these revised regulations at the time of recertification. Counties will be notified when these regulations are filed. Attached is a copy of the regulations that were sent to OAL on April 26, 1983.

The revised Standard Utility Allowance regulations contain three changes. The regulations require proration of the Standard Utility Allowance (SUA) equally among the individuals who contribute to the utility expenses of the residence, whether or not they participate in the Food Stamp Program. (See attachment for the definition of "individuals who contribute".) These regulations, for certain situations, do not allow the SUA for food stamp households living in public housing with central utility meters. Finally, these regulations allow the recipient to switch to the SUA when requested.

If you have any further questions regarding this letter, please contact your Food Stamp Program Operations Consultant at (916) 322-5475.


KYLE S. MCKINSEY
Deputy Director

cc: CWDA

Attachments

DEFINITION OF INDIVIDUALS WHO CONTRIBUTE

Individuals who contribute as used in M.S. 63-502.361, means those individuals who: a) either pay the utility company directly or make a payment to another individual for a share of the utility expenses; b) pool money, such as in a joint bank account, from which their share of utility costs is paid. Therefore, if a food stamp household composed of a husband, wife, and child share shelter expenses with a nonhousehold member and the household has a joint account into which each food stamp household member deposits monies, then all three of the household members are contributors. If, however, the husband has a separate account to which the other household members do not contribute and this account is used to pay the utility expenses, then only the husband and the nonhousehold member(s) would be sharing utility expenses.

(1) Amend Table of Contents to read:

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	Section
Implementation Schedule	63-001
Repeal of Old Manual Material	63-002
Implementation of Student Participation in Food Stamp Program	63-003
Implementation of Energy Assistance Payments Exclusions, Reduction of the Resource Limit, Resource Exclusion for Vehicles for the Physically Disabled and Treatment of Unlicensed Vehicles Used on Indian Reservations	63-004
Implementation of Treatment of Payments Received Pursuant to Settlement of UNDERWOOD V. HARRIS	63-005
Implementation of Group Living Arrangement Provisions	63-006
Implementation of the Revised Trust Fund Regulations	63-007
Work Registration/Job Search	63-008
Alien Verification	63-009
Food Stamp Program Verification Requirements	63-010
Implementation of Elimination of Boarders From Eligibility, Proration of First Month's Benefits, Gross Income Test, 18% of Earned Income Deduction, Restriction on Eligibility of Strikers, and Household Definition	63-011
Implementation of Program Informational Activities	63-012
Implementation of Student Eligibility Provisions	63-013
Implementation of Replacement Provisions	63-014
Implementation of Photo Identification	63-015
Implementation of Emergency Food Stamp Assistance in Disasters	63-016
Implementation of Regulations for Certification of Residents of Shelters for Battered Women and Children	63-017
<u>Implementation of Standard Utility Allowance</u>	<u>63-025</u>

Authority: Welfare and Institutions Code Section 18904.

Reference: 7 CFR Section 273.9(d)(6).

(2) Adopt Section 63-025 to read: "

63-025 IMPLEMENTATION OF STANDARD UTILITY ALLOWANCE

63-025

Effective on the date these regulations are filed with the Secretary of State, CWDs shall implement the revised provisions on the Standard Utility Allowance, promulgated by Public Law 97-253, as follows:

- .1 Upon the effective date of these regulations, the revised provisions shall be applied to all new applications.
- .2 Currently certified households shall be converted to the revised provisions at the time of recertification.

Authority: Welfare and Institutions Code Section 18904.

Reference: 7 CFR Section 273.9(d)(6).

(3) Amend Section 63-300.516 to read:

63-300 APPLICATION PROCESS (Continued)

63-300

.5 Verification (Continued)

.51 Mandatory Verification (Continued)

.516 Continuing Shelter Charges (Continued)

(a) Utility Expenses

The CWD shall verify a household's utility expenses if the household wishes to claim its actual utility expenses in excess of the standard utility allowance and the expense would actually result in a deduction. If the household's actual utility expenses cannot be verified before the 30 days allowed to process the application expire, the CWD county welfare department shall use the SUA, provided the household is entitled to use the SUA as specified in Section 63-502.36. If the household wishes to claim expenses for an unoccupied home, the CWD shall verify the household's actual utility expenses for the unoccupied home in every case and shall not use the SUA. Verification of utility costs of an unoccupied home outside the county is the responsibility of the household (see Section 63-300.524a).

(b) Entitlement to the Standard Utility Allowance

For those households entitled to claim the standard utility allowance (i.e., households who incur the cost of heating and/or cooking fuel, cooling and/or electricity separate and apart from rent or mortgage payments), the EW shall verify that the household actually incurs a utility expense. The EW is not permitted to verify more than one utility unless circumstances are questionable. Verification of the utility expense is done on a one-time basis unless the household has moved, changed its utilities, or unless questionable.

(4) "Amend Sections 63-502.361 and .363 to read:

63-502 INCOME, EXCLUSIONS AND DEDUCTIONS (Continued)

63-502

.3 Income Deductions (Continued)

.36 Standard Utility Allowances

.361 The standard utility allowance (SUA) shall may be used in calculating shelter costs of those households which incur heating or cooling certain utility costs separate and apart from their rent or mortgage payments. Each food stamp household which is entitled to the SUA shall receive the total allowance even if it shares the expenses with others. Households which do not incur any separate utility charges, or which are billed separately for only telephone costs, water, sewerage and garbage collection fees shall not be entitled to claim the standard utility allowance. Multiple households living in the same residence shall be allowed just one SUA. The one SUA shall be divided equally among individuals who contribute to meeting the utility costs of the residence whether or not those individuals participate in the Food Stamp Program. The prorated amount for the food stamp household shall be used in calculating shelter costs. Households living in a public housing unit which has central utility meters and are charged for only excess utility costs shall not be entitled to claim SUA. Households not entitled to the standard utility allowance may claim actual utility expenses for any utility which it does pay separately. However, a household cannot simultaneously claim both the SUA and actual utility expenses. Verification of utility expenses shall be made in accordance with Section 63-300.516a.

Roomers who do not incur certain utility costs (other than for telephone costs, water, sewerage and garbage collection fees) separate and apart from their rent, shall not receive the standard utility allowance. expense is provided in Section 63-503.53.

.362 A state standard telephone deduction of \$6 shall be used only in instances where the household has a telephone and is not entitled to the overall standard utility allowance. If the household's actual

telephone service fee is greater than the \$6 standard telephone deduction, and it represents the lowest available rate to the household, the household may request to have the actual service fee used. The household must be able to verify the actual cost claimed. Failure to have a telephone will not preclude use of the full standard utility allowance. The standard telephone deduction will apply to households which are not entitled to claim the overall standard allowance, but which nonetheless, incur separate telephone expenses.

- .363 Except as provided above in Section 63-502.362, the household shall be advised that it may, instead of using the SUA, deduct its total actual utility costs which exceed the standard utility allowance shall be deducted if the household can verify these costs. During the certification period, hHouseholds shall be allowed to switch between the actual utility costs and the SUA when requested, once every three months. Households certified for less than three months shall be allowed to switch once during the certification period.

Authority: Welfare and Institutions Code Section 18904.

Reference: 7 CFR Section 273.9(d)(6).

(5) Amend Section 63-503.543 to read:

63-503 DETERMINING HOUSEHOLD ELIGIBILITY AND BENEFIT
LEVELS (Continued)

63-503

•5 Households with Special Circumstances (Continued)

•54 Treatment of Income and Resources of Disqualified Members
(Continued)

•543 Deductible Expenses

The 18-percent earned income deduction shall apply to the prorated income earned by the disqualified member or ineligible alien which is attributed to the household. That portion of the household's allowable shelter and dependent care expenses which are either paid by or billed to the disqualified member or ineligible alien shall be divided evenly among the household members, including the disqualified member or ineligible alien. All but the disqualified member's or ineligible aliens share is counted as a deductible shelter expense for the remaining household members. Proration of utility expenses applies only shall be applied when actual amounts are claimed. The standard utility allowance shall not also be prorated, but the remaining if the household members must be is using eligible to claim the SUA standard. (See Section 63-502.361.)

Authority: Welfare and Institutions Code Section 18904.

Reference: 7 CFR Section 273.9(d)(6).

(6) Amend Section 63-504.341 to read:

63-504 HOUSEHOLD CERTIFICATION (Continued)

63-504

•3 Effecting Changes (Continued)

•34 Mass Changes (Continued)

•341 Federal Adjustments to Eligibility Standards,
Allotments, Deductions, and State Adjustments to
Utility Standards

- a. These adjustments shall go into effect for all households at a specific point in time. Annual adjustments to the coupon allotment table, the standard deduction, shelter/dependent care deduction, and the maximum income eligibility standards and the standard utility allowance shall be effective for all issuances upon the effective dates specified in Handbook Section 63-1101.
- b. A Notice of Adverse Action is not required; for these mass changes; however, the CWD shall publicize these mass changes through the news media; posters in certification offices, issuance locations, or other sites frequented by certified households; or general notices mailed to households. Households whose certification periods overlap a seasonal variation in the utility standard shall be advised at the time of initial certification of when the adjustment will occur and what the variation in the benefit level will be if known.

Authority: Welfare and Institutions Code Section 18904.

Reference: 7 CFR Section 273.9(d)(6).